

This Listing Statement is compiled by the Exchange from documents filed by the Company in making application for listing. It is issued for the information of members, member firms and member corporations of the Exchange. It is not and is not to be construed as a prospectus. The Exchange has received no consideration in connection with the issue of this Listing Statement other than the customary listing fee. The documents referred to above are open for inspection at the general office of the Exchange.

LISTING STATEMENT NO. 2638

LISTED July 19, 1973.
5,000,000 shares without par value.
Stock Symbol AFN
Post Section 3.4

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

14
AFTON MINES LTD. (N.P.L.)

Incorporated under the Companies Act of British Columbia by Certificate No. 67,330
dated December 14, 1965

CUSIP 008344 10 3

- 1. Address of the Company's Head Office and of any other offices: 700-1177 West Hastings Street, Vancouver, British Columbia.
- 2. Officers of the Company:

| Office Held | Name | Address | Occupation |
|---------------------------------|------------------|---|----------------------|
| Chairman of the Board | N.B. Keevil | 866 Tennyson Avenue Mississauga, Ontario | Geophysicist |
| President | N.B. Keevil, Jr. | 1416 Acadia Road Vancouver British Columbia | Geophysicist |
| Managing Director | R.E. Hallbauer | 2975 Marine Drive West Vancouver British Columbia | Mining Engineer |
| Vice-President and Treasurer | D.L. Hiebert | 2194 West 32nd Avenue Vancouver British Columbia | Chartered Accountant |
| Secretary | F.W. Maycock | 2286 West 20th Avenue Vancouver British Columbia | Executive |
| Assistant Secretary | J.D. Munroe | 6148 Gleneagles Drive West Vancouver British Columbia | Executive |
| Assistant Secretary | G.R. Shipley | 2187 Kings Avenue West Vancouver British Columbia | Chartered Accountant |

3. Directors of the Company:

| <u>Name</u> | <u>Address</u> | <u>Occupation</u> |
|------------------|---|----------------------|
| N.B. Keevil | 866 Tennyson Avenue Mississauga, Ontario | Geophysicist |
| N.B. Keevil, Jr. | 1416 Acadia Road Vancouver British Columbia | Geophysicist |
| R.E. Hallbauer | 2975 Marine Drive West Vancouver British Columbia | Mining Engineer |
| D.L. Hiebert | 2194 West 32nd Avenue Vancouver British Columbia | Chartered Accountant |
| J.D. Leishman | 635 Glenmaroon Road West Vancouver British Columbia | M.D. (retired) |

4. Names and addresses of all transfer agents: The Canada Trust Company, 901 West Pender Street, Vancouver, British Columbia; The Canada Trust Company, 110 Yonge Street, Toronto, Ontario.
5. Particulars of any fee charged upon transfer other than customary government taxes: 50¢ (fifty cents) per certificate.
6. Names and addresses of all registrars: The Canada Trust Company, 901 West Pender Street, Vancouver, British Columbia; The Canada Trust Company, 110 Yonge Street, Toronto, Ontario.
7. Amount of authorized capital: \$20,000,000.
8. Number of shares and par value: 5,000,000 without nominal or par value.
9. Full details of all shares issued in payment for properties or for any other assets other than cash:

| <u>Date</u> | <u>Number of Shares</u> | <u>Brief description of the properties or other assets and the aggregate considerations therefor, expressed in cash, shares, etc.</u> |
|----------------|-------------------------|---|
| April, 1966 | 750,000 | \$37,500 |
| April, 1966 | 40,000 | \$ 4,000 |
| November, 1969 | (92,500) | — Gifted back to Company (See Item 13 herein) |
| Total | 697,500 | \$41,500 |

10. Full details of all shares sold for cash:

| <u>Date</u> | <u>Number of Shares</u> | <u>Price per Share</u> | <u>Amount realized by Company</u> |
|----------------|--------------------------------|------------------------|-----------------------------------|
| 1966 | 100,000 | \$0.025 | \$ 2,500 |
| 1966 | 250,000 | 0.25 | 12,500 |
| 1966 | 146,020 | 0.10 | 14,602 |
| 1967 | 142,000 | 0.10 | 14,200 |
| 1967 | 28,500 | 0.25 | 7,125 |
| 1969 | 360,000 | 0.30 | 108,000 |
| 1969 | (200,000) (see Item 13 herein) | | |
| 1971 | 200,000 | 0.20 | 40,000 |
| 1971 | 200,000 | 0.25 | 50,000 |
| 1971 | 200,000 | 0.30 | 60,000 |
| 1971 | 200,000 | 0.35 | 70,000 |
| 1971 | 200,000 | 0.45 | 90,000 |
| March 22, 1972 | 100,000 | 3.50 | 350,000 |
| Total | 1,926,520 | | \$818,927 |

11. Total number of shares issued: 2,624,020.

12. Number of shares now in treasury or otherwise unissued: 2,375,980.

13. Particulars of any issued shares held in trust for the Company or donated for treasury purposes: 292,500 shares (as shown above) surrendered by way of gift and cancelled to conform with requirements of the Securities Commission of British Columbia.

14. Date of last annual meeting: February 23, 1973.

15. Date of last report to shareholders: January 25, 1973. (Interim Report 6 months.)

| | | |
|-----|---|---|
| 16. | Details of any treasury shares (or shares issued subject to payment or shares held for the benefit of the treasury) now under option or the subject of any underwriting or sales agreement. | By Agreement dated June 12, 1973, Teck Corporation (as to 65% thereof) and Iso Mines Limited (as to 35% thereof) have the right to require the Company to allot and issue to them that number of voting common shares of the Company which will amount to 30% of such shares issued and outstanding immediately following such issuance, which right may be exercised following completion of a feasibility study and report on the Company's mining property near Kamloops, British Columbia, and upon giving notice of intention to place the property into production. |
| 17. | Names and addresses of persons having any interest, direct or indirect, in underwritten or optioned shares or other securities or assignments, present or proposed. | Teck Corporation Limited, Suite 700, 1177 West Hastings Street, Vancouver, British Columbia. Iso Mines Limited, Suite 4900, Toronto-Dominion Centre, Toronto, Ontario. |
| 18. | Details of any payments in cash or securities of the Company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition. | Not Applicable. |
| 19. | Details of any shares pooled, deposited in escrow, non-transferable or held under any voting trust agreement, syndicate agreement, or control. | 174,375 shares, part of the stock issued in payment for properties as set out in Item 9, are held in escrow by the Canada Trust Company at Vancouver subject to release only upon consent of regulatory bodies. |

| 20. | Names and addresses of owners of more than a 5% interest in pooled or escrowed shares and their shareholdings. (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.) | John Haramboure, 497 West 39th Avenue, Vancouver, British Columbia. Douglas L. Price, 4611 North Lawn, Burnaby, British Columbia. Chester F. Millar, 85 Bonnymuir, West Vancouver, British Columbia. A. David Ross, 1101-1775 Bellevue Avenue, West Vancouver, British Columbia. Jack Cewe, Box 1100, Coquitlam, British Columbia. Axel Berglund, 1773 Maple Street, Prince George, British Columbia. Teck Corporation Ltd., 700, 1177 West Hastings Street, Vancouver, British Columbia. Iso Mines Limited, P.O. Box 49, Toronto-Dominion Centre, Toronto, Ontario. | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|---------------|--------------------------------------|---|---------|--------|--|---------|--------|--|---------|--------|---|--------|-----|---|--------|-----|--|
| 21. | Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. | <table><thead><tr><th></th><th><u>Shares</u></th><th><u>Of Which There Are Escrowed -</u></th></tr></thead><tbody><tr><td>Teck Corporation Limited Suite 4900 Toronto-Dominion Centre Toronto, Ontario</td><td>869,300</td><td>41,328</td></tr><tr><td>Douglas L. Price 4611 North Lawn Burnaby, British Columbia</td><td>121,500</td><td>13,070</td></tr><tr><td>Iso Mines Limited Suite 4900 Toronto-Dominion Centre Toronto, Ontario</td><td>468,698</td><td>16,477</td></tr><tr><td>Canex Placer Limited 700 Burrard Building Vancouver, British Columbia</td><td>99,994</td><td>nil</td></tr><tr><td>Roycan & Co. P.O. Box 6007 c/o The Royal Bank of Canada Montréal, Québec</td><td>96,298</td><td>nil</td></tr></tbody></table> <p>Note: 96,298 shares in the name of Roycan & Co. are believed to be beneficially owned by Chester F. Millar of 85 Bonnymuir, West Vancouver, British Columbia.</p> | | <u>Shares</u> | <u>Of Which There Are Escrowed -</u> | Teck Corporation Limited Suite 4900 Toronto-Dominion Centre Toronto, Ontario | 869,300 | 41,328 | Douglas L. Price 4611 North Lawn Burnaby, British Columbia | 121,500 | 13,070 | Iso Mines Limited Suite 4900 Toronto-Dominion Centre Toronto, Ontario | 468,698 | 16,477 | Canex Placer Limited 700 Burrard Building Vancouver, British Columbia | 99,994 | nil | Roycan & Co. P.O. Box 6007 c/o The Royal Bank of Canada Montréal, Québec | 96,298 | nil | |
| | <u>Shares</u> | <u>Of Which There Are Escrowed -</u> | | | | | | | | | | | | | | | | | | | |
| Teck Corporation Limited Suite 4900 Toronto-Dominion Centre Toronto, Ontario | 869,300 | 41,328 | | | | | | | | | | | | | | | | | | | |
| Douglas L. Price 4611 North Lawn Burnaby, British Columbia | 121,500 | 13,070 | | | | | | | | | | | | | | | | | | | |
| Iso Mines Limited Suite 4900 Toronto-Dominion Centre Toronto, Ontario | 468,698 | 16,477 | | | | | | | | | | | | | | | | | | | |
| Canex Placer Limited 700 Burrard Building Vancouver, British Columbia | 99,994 | nil | | | | | | | | | | | | | | | | | | | |
| Roycan & Co. P.O. Box 6007 c/o The Royal Bank of Canada Montréal, Québec | 96,298 | nil | | | | | | | | | | | | | | | | | | | |
| 22. | Names and addresses of persons whose shareholdings are large enough to materially affect control of the Company. | Teck Corporation Limited, Suite 700, 1177 West Hastings Street, Vancouver, British Columbia. Iso Mines Limited, Suite 4900, Toronto-Dominion Centre, Toronto, Ontario. | | | | | | | | | | | | | | | | | | | |
| 23. | Details of any registration with or approval or authority for sale granted by or any filing with a Securities Commission or corresponding Government body. | Prospectus dated October 18, 1968, filed with the British Columbia Securities Commission, qualifying 360,000 shares. Statement of Material Facts dated October 27, 1971, filed with the British Columbia Securities Commission and Vancouver Stock Exchange, qualifying 600,000 shares. | | | | | | | | | | | | | | | | | | | |
| 24. | Has any application for registration with or approval or authority for sale by or any filing with a Securities Commission or corresponding Government body ever been refused, cancelled, suspended or revoked? | No. | | | | | | | | | | | | | | | | | | | |
| 25. | Particulars of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding. | The Company has notes outstanding with the Bank of Montreal, 355 Burrard Street, Vancouver, British Columbia, in the sum of \$220,000.00. There are no other charges outstanding. | | | | | | | | | | | | | | | | | | | |

| 26. | If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value. | No investments held. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------|---|---|-------------------|----------------------|--------------------|---------|-------------|----------------|---------|-------------|----------------|----------|-------------|----------------|-----------|-------------|----------------|-----------|-------------|---------------|-----------|-------------|-----------------|-----------|-------------|-------------|----------------|-------|--------------|-----------------|-------------|------------------|-----------------|-------------|------------------|-------|-------|------------------|---------|-------------|------------------|-------|-------|------------------|--------|-------|------------------|--------|-------|------------------|--------|-------|------------------|--------|-------|------------------|------------|-------|-------------------|-----------|-------------|-------------------|
| 27. | Enumerate fully each of the following property classifications, giving claim or property numbers, approximate acreage, townships and mining camp or oil field: | <p>The company is the recorded and beneficial owner of the following located mineral claims situate in the Kamloops Mining Division of British Columbia:</p> <table> <tr> <th><u>Claim Name</u></th><th><u>Record Number</u></th><th><u>Expiry Date</u></th></tr> <tr><td>Add 1-4</td><td>45345-45348</td><td>March 13, 1996</td></tr> <tr><td>Add 5-8</td><td>45977-45980</td><td>April 27, 1980</td></tr> <tr><td>Add 9-13</td><td>45981-45985</td><td>April 27, 1981</td></tr> <tr><td>Add 14-18</td><td>45986-45990</td><td>April 27, 1981</td></tr> <tr><td>Add 19-26</td><td>46576-46583</td><td>June 19, 1995</td></tr> <tr><td>Afton 1-4</td><td>11508-11511</td><td>October 6, 1980</td></tr> <tr><td>Afton 5-7</td><td>11696-11698</td><td>May 8, 1996</td></tr> <tr><td>Afton Fraction</td><td>11736</td><td>May 16, 1995</td></tr> <tr><td>Pot 1 Fr.-2 Fr.</td><td>47978-47979</td><td>December 3, 1995</td></tr> <tr><td>Pot 3 Fr.-4 Fr.</td><td>47980-47981</td><td>December 3, 1995</td></tr> <tr><td>Pot 5</td><td>47982</td><td>December 3, 1995</td></tr> <tr><td>Pot 6-8</td><td>47983-47985</td><td>December 3, 1980</td></tr> <tr><td>Pot 9</td><td>47986</td><td>December 3, 1980</td></tr> <tr><td>Add 27</td><td>85926</td><td>December 4, 1995</td></tr> <tr><td>Add 28</td><td>85927</td><td>December 4, 1995</td></tr> <tr><td>Add 29</td><td>85928</td><td>December 4, 1995</td></tr> <tr><td>Add 30</td><td>85929</td><td>December 4, 1995</td></tr> <tr><td>Pot 10 Fr.</td><td>93413</td><td>November 18, 1996</td></tr> <tr><td>Pot 11-14</td><td>93414-93417</td><td>November 18, 1980</td></tr> </table> <p>Ownership by the Company of the foregoing claims is subject to the provisions of the Mineral Act of British Columbia and does not constitute a vesting of title.</p> <p>(b) Properties leased.</p> <p>The Company is the recorded and beneficial owner of Mineral Lease M-22E (the Dominion mineral claim) being Lot 1595, Kamloops Division Yale District.</p> <p>(c) Properties otherwise held.</p> <p>By Agreement dated April, 1972, and made between the Company and Arthur Alfred Bowers, the Company has an option to purchase the surface rights of the lands described in Parts One and Two below and an option to purchase the Grazing Leases set forth in Part Three below:</p> <p><i>PART ONE</i></p> <p>The surface of:</p> <p>Firstly — D.L. 893 known as the "Pot Hook" Mineral Claim</p> <p>Secondly — D.L. 894 known as the "Gold Mask" Mineral Claim.</p> <p>Thirdly — D.L. 895 known as the "Midnight" Mineral Claim.</p> <p>Fourthly — D.L. 896 known as the "Bonanza" Mineral Claim.</p> <p>Fifthly — D.L. 897 known as the "Boss" Mineral Claim.</p> <p>Sixthly — D.L. 898 known as the "Night Hawk" Mineral Claim.</p> <p>Seventhly — D.L. 899 known as the "Cliff" Mineral Claim.</p> <p>Eighthly — D.L. 900 known as the "Piper" Mineral Claim.</p> <p>Kamloops Division Yale District, excepting thereout and therefrom all mines and minerals precious and base, and oil and oil springs.</p> | <u>Claim Name</u> | <u>Record Number</u> | <u>Expiry Date</u> | Add 1-4 | 45345-45348 | March 13, 1996 | Add 5-8 | 45977-45980 | April 27, 1980 | Add 9-13 | 45981-45985 | April 27, 1981 | Add 14-18 | 45986-45990 | April 27, 1981 | Add 19-26 | 46576-46583 | June 19, 1995 | Afton 1-4 | 11508-11511 | October 6, 1980 | Afton 5-7 | 11696-11698 | May 8, 1996 | Afton Fraction | 11736 | May 16, 1995 | Pot 1 Fr.-2 Fr. | 47978-47979 | December 3, 1995 | Pot 3 Fr.-4 Fr. | 47980-47981 | December 3, 1995 | Pot 5 | 47982 | December 3, 1995 | Pot 6-8 | 47983-47985 | December 3, 1980 | Pot 9 | 47986 | December 3, 1980 | Add 27 | 85926 | December 4, 1995 | Add 28 | 85927 | December 4, 1995 | Add 29 | 85928 | December 4, 1995 | Add 30 | 85929 | December 4, 1995 | Pot 10 Fr. | 93413 | November 18, 1996 | Pot 11-14 | 93414-93417 | November 18, 1980 |
| <u>Claim Name</u> | <u>Record Number</u> | <u>Expiry Date</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add 1-4 | 45345-45348 | March 13, 1996 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add 5-8 | 45977-45980 | April 27, 1980 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add 9-13 | 45981-45985 | April 27, 1981 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add 14-18 | 45986-45990 | April 27, 1981 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add 19-26 | 46576-46583 | June 19, 1995 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afton 1-4 | 11508-11511 | October 6, 1980 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afton 5-7 | 11696-11698 | May 8, 1996 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Afton Fraction | 11736 | May 16, 1995 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pot 1 Fr.-2 Fr. | 47978-47979 | December 3, 1995 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pot 3 Fr.-4 Fr. | 47980-47981 | December 3, 1995 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pot 5 | 47982 | December 3, 1995 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pot 6-8 | 47983-47985 | December 3, 1980 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pot 9 | 47986 | December 3, 1980 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add 27 | 85926 | December 4, 1995 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add 28 | 85927 | December 4, 1995 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add 29 | 85928 | December 4, 1995 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Add 30 | 85929 | December 4, 1995 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pot 10 Fr. | 93413 | November 18, 1996 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pot 11-14 | 93414-93417 | November 18, 1980 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Subject to:

U63871E February 28, 1956. Francis P. Newcome
Crown Grant dated January 31, 1956, C of C No. 5189
All mineral deposits, precious and base (save coal,
petroleum and any gas or gases) which may be found
in, upon or under D.L. 899, K.D.Y.D. and known as
"Cliff" Mining Claim.

Caveat G6019 February 16, 1972. S. David Anfield of U63871E

PART TWO

C/T 152322F

Firstly — All that portion of the North $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of
Section 33, Township 19, Range 19, W6M, which is
not contained within the limits of D.L. 550,
K.D.Y.D.

Secondly — All that portion of the South $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of
Section 4, Township 20, Range 19, W6M, which is
not contained within the limits of D.L. 550,
K.D.Y.D.

Thirdly — The Northwest $\frac{1}{4}$ of Section 27, Township 19, W6M.

C/T 299059F

Legal Subdivision 4 and the West $\frac{1}{2}$ of Legal Subdivision 3 of Sec-
tion 34, Township 19, Range 19, West of the 6th Meridian, as shown
on Plan of the Northeast $\frac{1}{4}$ of said Township dated at Ottawa the
28th day of February, 1922.

C/T 299060F

The fractional Legal Subdivisions 7 and 8 of Section 34, Township
19, Range 19, West of the 6th Meridian, as shown on Plan of the
Northeast $\frac{1}{4}$ of said Township dated at Ottawa the 28th day of
February, 1922.

C/T 231933F

Firstly — Legal Subdivision 2, of Section 35;

Secondly — All those portions of Legal Subdivisions 3 and 4 of
Section 35, which are not included within the limits
of District Lot 551 Kamloops Division Yale District,
and *excepting* from said Legal Subdivisions 2 and 3
the lands covered by the waters of Hughes Lake at
the time of survey of said Lake.

Thirdly — That part of the Northeast $\frac{1}{4}$ of Section 26 which lies
to the North of a line drawn parallel to and perpen-
dicularly distant 600 feet from the Northerly bound-
ary thereof;

All of Township 19, Range 19, West of the 6th Meridian. Hereto is
annexed Easement B25819 over part of Northeast $\frac{1}{4}$, Section 26
except Northerly 600 feet thereof and part Northwest $\frac{1}{4}$, Section 26,
all in Township 19, Range 19, W6M, as shown outlined in red on
Plan A8083 and part of South $\frac{1}{2}$, Section 26, Township 19, Range
19, W6M, shown outlined in red on Plan A8082 — see 79328F,
22629F and 80788F.

Hereto is annexed Easement C5700 over Northeast $\frac{1}{4}$, Northwest $\frac{1}{4}$
and Southwest $\frac{1}{4}$ of Section 23, Township 19, Range 19, W6M —
see C5699F and 182010F.

C/T 152319F

Firstly — All that portion of the Northeast $\frac{1}{4}$ of Section 34,
Township 19, Range 19, W6M, which lies to the
south of D.L. 550, K.D.Y.D., and to the West of
D.L. 551, K.D.Y.D., as shown on a plan of survey of
the said Township signed at Ottawa on the 8th of
September, 1900, containing by admeasurement 7.5
acres more or less.

Secondly — All that portion of the Northwest $\frac{1}{4}$ of Section 34,
Township 19, Range 19, W6M which lies to the
South and West of D.L. 550, K.D.Y.D. as shown on
the plan of survey of said Township containing by
admeasurement 82 acres more or less.

| | |
|--|---|
| 27. Continued | <p>Thirdly: — The North half of the Southwest quarter of Section 34, Township 19, Range 19, W6M containing by admeasurement 80 acres more or less.</p> <p>C/T 152321F All that portion of Fractional Legal Subdivision 4 and that part of Legal Subdivision 5, Section 3, Township 20, Range 19, W6M which lies to the Southwest of the Savona and Kamloops Highway as shown on the plan of the Southeast ¼ of said Township dated at Ottawa 5th of March, 1909, save and except Parcel A (D.D. 143531F) of Fractional Legal Subdivision 4 thereof. Reference Plan "B" 6698.</p> <p><i>PART THREE</i></p> <p>Lease No. 14987</p> <p>Lease No. 15110</p> <p>Bowers is the lessee of those lands outlined in yellow and red on the Plan in Schedule "A" under two leases (hereinafter called the "Grazing Leases"), one lease numbered 14987 dated 1 November, 1967, from Her Majesty the Queen represented by the Minister of Lands, Forests and Water Resources for the Province of British Columbia, as lessor, a true copy of which lease is attached hereto as Schedule "C", and the other lease number 15110 dated 1 November, 1967, from Her Majesty the Queen represented by the Minister of Lands, Forests and Water Resources for the Province of British Columbia, as lessor, a true copy of which lease is attached hereto as Schedule "D".</p> |
| 28. Full particulars of any royalties or other charges payable upon production from each individual property. | No royalties payable upon production other than those which may be levied by the Provincial Government of British Columbia. |
| 29. Names and addresses of vendors of any property or other assets intended to be purchased by the Company showing the consideration to be paid. | Arthur Alfred Bowers. Box 545, Kamloops, British Columbia. The consideration to be paid if the option is exercised is a minimum of \$250,000.00 (increasing proportionately depending upon the total acreage acquired), pursuant to the Option Agreement described in Item 27 (c). |
| 30. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company. | Arthur Alfred Bowers, Box 545, Kamloops, British Columbia. Mr. Bowers is to receive all the consideration paid under the Option Agreement described in Item 27 (c) and Item 29. |
| 31. Are any lawsuits pending or in process against the Company or any of its properties, or are there any other circumstances which might affect the Company's position or title adversely? If so explain fully. | Disputes relating to boundary claims in the Company's Kamloops property with Equatorial Resources Limited (N.P.L.) <i>et al</i> and Joseph Rowe McPhee, respectively, are outstanding, and legal action is pending in each case. The disputes essentially turn upon the acceptance of conflicting surveys. The Company does not, however, consider these disputes of major significance. |
| 32. Describe plant and equipment on property or properties. | One Camp Trailer 20' x 50' — leased. Drilling Contractor's equipment. |
| 33. Describe all development accomplished and planned. | Following earlier exploration work on the property, a major drilling programme, consisting of diamond, rotary and percussion drilling, commenced in 1971, and 171 holes comprising 98,600 feet have been completed, resulting in a geological ore reserve calculation of 33,-000,000 tons averaging 1.01% copper to a depth of 1,200 feet. Metallurgical testing and diamond drilling are continuing with the objective of completing a feasibility study by the end of September 1973. |

| | | | | |
|-----|---|--|--|---|
| 34. | Date and author of mining or petroleum engineer's or geologist's report filed with this application and available for inspection on request. | Report dated June 20, 1973, prepared by W.R. Bergey. | | |
| 35. | Full particulars of production to date. | None. | | |
| 36. | Have any dividends been paid? | No. | | |
| 37. | Name and address of the solicitor or attorney whose certificate that the applicant is a valid and subsisting company and that the shares which have been allotted and issued were legally created and are fully paid and non-assessable has been filed with the Exchange. | Messrs. Farris, Vaughan, Wills & Murphy P.O. Box 10026, Pacific Centre Toronto Dominion Bank Tower 700 West Georgia Street Vancouver, British Columbia | | |
| 38. | (a) Have any shares of the Company ever been listed on any other stock exchange? If so, give particulars. | Yes, Vancouver Stock Exchange. | | |
| | (b) Is any application for listing the shares of the Company on any other stock exchange now pending or contemplated? | No. | | |
| | (c) Has any application for listing of any shares of the Company ever been refused or deferred by any stock exchange? | No. | | |
| 39. | Particulars of the principal business in which each officer and director has been engaged during the past five years, giving the length of time, position held and name of employing company or firm. | <u>Name and Office Held</u> | <u>Present Principal Occupation or Employment</u> | <u>Address</u> |
| | | N.B. Keevil (Chairman and Director) | Dr. Keevil is the President and a director of Teck Corporation Limited and an officer or director of various associated companies. | 866 Tennyson Avenue Mississauga, Ontario |
| | | N.B. Keevil, Jr. (President and Director) | Dr. Keevil, Jr. is Executive Vice-President and a director of Teck Corporation Limited, and President and a director of Iso Mines Limited. | 1416 Acadia Road Vancouver British Columbia |
| | | R.E. Hallbauer (Managing-Director) | Mr. Hallbauer is Vice-President of Teck Corporation Limited and President of Brameda Resources Limited. | 2975 Marine Drive West Vancouver British Columbia |
| | | D.L. Hiebert (Vice-President, Treasurer and Director) | Mr. Hiebert is Vice-President, Finance, of Teck Corporation Limited; prior thereto, successively Financial Assistant to the Secretary-Treasurer, Assistant Treasurer, and Treasurer of Cominco. Ltd. | 2194 West 32nd Avenue Vancouver British Columbia |
| | | J.D. Leishman (Director) | Dr. Leishman is a retired physician and a company director, including director of Teck Corporation Limited. | 635 Glenmaroon Road West Vancouver British Columbia |
| | | F.W. Maycock (Secretary) | Mr. Maycock is Secretary and Treasurer of Colonial Oil & Gas Limited, and since August, 1971, has been Secretary of Afton Mines Ltd. (N.P.L.). | 2286 West 20th Avenue Vancouver British Columbia |

| | |
|---|--|
| 39. Continued | <div> <div> J.D. Munroe (Assistant Secretary) </div> <div> Mr. Munroe is an Assistant Secretary of Teck Corporation Limited; prior thereto, Secretary Treasurer and a director of Highland-Bell Limited; and since February, 1973, has been an Assistant Secretary of Afton Mines Ltd. (N.P.L.). </div> <div> 6148 Gleneagles Drive West Vancouver British Columbia </div> </div> <div> <div> G.R. Shipley (Assistant Secretary) </div> <div> Mr. Shipley is Controller of Teck Corporation Limited and Treasurer of Brameda Resources Limited; prior thereto, Controller of Chapman, Wood & Griswold Ltd.; and since May, 1973, has been an Assistant Secretary of Afton Mines Ltd. (N.P.L.). </div> <div> 2187 Kings Avenue West Vancouver British Columbia </div> </div> |
| 40. The dates of and parties to and the general nature of every material contract entered into by the Company which is still in effect and is not disclosed in the foregoing. | As described in Item 16, the Company has entered into a Development Agreement dated May 30, 1972, originally made between the Company and Canex Placer Limited (formerly Canadian Exploration Limited) and which Agreement was subsequently assigned to Teck Corporation Limited and Iso Mines Limited. Under the terms of the Agreement, Teck and Iso are required to complete a feasibility study on the Company property. The Company has been advised that the study will be completed by October at an estimated cost of \$500,000. Upon completion of the study, an election must be made either to place the property into production (in which event, Teck and Iso shall have allotted and issued to them that number of shares of Afton that will amount to 30% of the total issued and outstanding shares immediately following such issue, and shall be responsible for bringing the property into production and arranging financing therefor) or not to bring the property into production, in which event Teck and Iso shall have no further rights under the Agreement. |
| 41. Any other material facts not disclosed in the foregoing. | None. |

42. STATEMENT SHOWING DISTRIBUTION OF ISSUED CAPITAL
as of June 13, 1973

| FREE STOCK | Shares |
|--|-----------|
| (a) Distributed and in the hands of the public (exclusive of the promoters, officers and directors of the Company and their agents or trustees). | 1,169,024 |
| (b) Distributed ad in the hands of the promoters, officers and directors of the Company and their agents or trustees. | 1,280,621 |
| Total free stock | 2,449,645 |

ESCROWED OR POOLED STOCK

| | |
|---|-----------|
| (c) Held in escrow or pool as set out in Item 19 of this application. | 174,375 |
| Total issued capital | 2,624,020 |

RECORD OF SHAREHOLDERS

| | |
|---|-----|
| Number of registered shareholders holding shares in class (a) above | 290 |
| Number of registered shareholders holding shares in class (b) above | 7 |
| Number of registered shareholders holding shares in class (c) above | 14 |

| Number | | Shares |
|------------|---|-------------------------------|
| 33 | Holders of 1 — 99 shares | 879 |
| 120 | Holders of 100 — 499 shares | 18,916 |
| 29 | Holders of 500 — 999 shares | 17,131 |
| 37 | Holders of 1000 — 1999 shares | 44,267 |
| 13 | Holders of 2000 — 2999 shares | 29,715 |
| 9 | Holders of 3000 — 3999 shares | 29,557 |
| 4 | Holders of 4000 — 4999 shares | 17,115 |
| <u>52</u> | Holders of 5000 — up shares | <u>2,466,440</u> |
| <u>297</u> | Stockholders | Total shares <u>2,624,020</u> |

As of the above date, approximately 260,000 shares were held in the name of 54 Canadian Brokers, two of which have advised the Exchange that they are holding shares on behalf of 64 shareholders each holding a board lot or more.

DATED AT VANCOUVER, BRITISH COLUMBIA, THE 3rd DAY OF JULY, 1973.

AFTON MINES LTD. (N.P.L.)

Per: "N.B. KEEVIL, JR.",
President



Per: "J.D. MUNROE",
Assistant Secretary

FINANCIAL STATEMENTS

AFTON MINES LTD. (N.P.L.)

BALANCE SHEET

MAY 31, 1973

ASSETS

| | |
|---|--------------------|
| Current Assets | |
| Cash | \$ 3,656 |
| Land, at cost | 250,000 |
| Mining claims, at cost represented by 697,500 shares issued for a consideration of \$41,500 and cash payment of \$49,800 | 91,300 |
| Deferred Expenditures | |
| Exploration and development | 635,291 |
| Administration | 194,747 |
| Organization | 1,394 |
| | 831,432 |
| | <u>\$1,176,388</u> |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | |
|---|------------------|
| Current Liabilities | |
| Accounts payable and accrued liabilities | \$ 13,461 |
| Installment due within one year on agreement to purchase land | 37,500 |
| Demand Loan (Note 2) | 190,000 |
| | 240,961 |
| Agreement to purchase land payable \$37,500 annually without interest | 112,500 |
| Less amount included in current liabilities | 37,500 |
| | <u>\$ 75,000</u> |

SHAREHOLDERS' EQUITY

| | |
|--|--------------------|
| Capital Stock | |
| Authorized: 5,000,000 shares at no par value | |
| Issued: For cash — 1,926,520 shares | \$ 818,927 |
| For mining claims 697,500 shares | 41,500 |
| | 860,427 |
| | <u>\$1,176,388</u> |

AFTON MINES LTD. (N.P.L.)

STATEMENT OF DEFERRED EXPENDITURES FOR ELEVEN MONTHS ENDED MAY 31, 1973

| | Balance at Beginning of Year | Expenditures During Year* | | Balance May 31, 1973 |
|----------------------------------|------------------------------------|------------------------------|---------------|-------------------------|
| | | Jacko Option | Afton | |
| Exploration and development | | | | |
| Assaying | \$ 34,315 | \$ 4,886 | \$14,531 | \$ 53,732 |
| Engineering | 43,891 | 14,554 | 17,728 | 76,173 |
| Drilling | 412,923 | 25,825 | 4,142 | 442,890 |
| Induced polarization | 6,344 | — | — | 6,344 |
| Licences, assessments and sundry | 19,250 | 2,522 | 3,893 | 25,665 |
| Staking and surveying | 18,583 | 3,485 | 91 | 22,159 |
| Jacko administration | — | 8,328 | — | 8,328 |
| | <u>535,306</u> | <u>59,600</u> | <u>40,385</u> | <u>635,291</u> |
| Administration | | | | |
| Legal, audit and accounting | 55,150 | | 34,452 | 89,602 |
| Office and management | 18,961 | | 42,902 | 61,863 |
| Transfer agency fees | 6,804 | | 3,388 | 10,192 |
| Rent and services | 11,039 | | — | 11,039 |
| Other | 26,642 | | 7,873 | 34,515 |
| | <u>118,596</u> | | <u>88,615</u> | <u>207,211</u> |
| Less interest earned | <u>10,725</u> | | <u>1,739</u> | <u>12,464</u> |
| | <u>107,871</u> | | <u>86,876</u> | <u>194,747</u> |
| Organization | <u>1,394</u> | <u>—</u> | | <u>1,394</u> |
| | <u>\$644,571</u> | <u>\$186,861</u> | | <u>\$831,432</u> |

* Net of recovery from Canex of \$5,820 pertaining to 1972 Exploration and Development (\$4,180) and Administration Costs (\$1,640).

STATEMENT OF SOURCE AND APPLICATION OF FUNDS ELEVEN MONTHS ENDED MAY 31, 1973

| | |
|---|---------------------|
| SOURCE OF FUNDS | \$ — |
| APPLICATION OF FUNDS | |
| Exploration, development and administration expenses | 186,861 |
| Balance of purchase of land \$112,500 less amounts not due within one year \$75,000 | <u>37,500</u> |
| | <u>224,361</u> |
| INCREASE (DECREASE) IN WORKING CAPITAL | (224,361) |
| WORKING CAPITAL AT BEGINNING OF PERIOD | <u>(12,944)</u> |
| WORKING CAPITAL (DEFICIENCY) AT END OF PERIOD | <u>\$ (237,305)</u> |

AFTON MINES LTD. (N.P.L.)

MAY 31, 1973

NOTES TO FINANCIAL STATEMENTS

1. Teck Corporation Limited and Iso Mines Ltd. are committed by the agreement dated June 12, 1973, to complete a feasibility study and report on the Afton property. It is estimated that this study and report will be completed by about September 30, 1973, at a cost of approximately \$500,000.
2. Afton has a \$300,000 line of credit with the Bank of Montreal for corporate and other expenses.
3. These statements are subject to year-end audit and adjustment.

AFTON MINES LTD.

(N.P.L.)

ANNUAL REPORT 1972

(Including Financial Statements to September 30, 1972)

TO THE SHAREHOLDERS:



Your company's exploration programme culminated in the discovery of a substantial copper deposit near Kamloops in early 1972.

Based upon diamond, rotary and percussion drilling to date, reserves outlined are estimated to be over 30,000,000 tons grading slightly better than 1% copper, with additional values in gold and silver. The deposit has not been delimited at depth or to the west, and further exploratory drilling is required. Most of the known mineralization is recoverable by open pit mining methods, but a subsequent underground operation may be advisable to recover ore that has been indicated at depth.

The deposit is unusual in that most of the copper occurs as native copper disseminated in altered intrusive rocks. Some chalcocite, bornite and chalcopyrite occur in the lower portions of the drill holes.

Metallurgical test work shows that good recoveries can be obtained and that, because of the native copper mineralization, unusually high grade concentrates can be produced. The grade and nature of the concentrate should contribute to a flexible marketing arrangement, with treatment and transportation costs being lower than usual.

The location of the orebody is favourable in that it is within 10 miles of the city of Kamloops and all services such as hydro power, natural gas and water are readily available.

In March, Afton entered into an agreement with Canex Aerial Exploration Ltd., a wholly-owned subsidiary of Placer Development, under which Canex purchased 100,000 treasury shares of Afton for \$3.50 per share, and Afton granted Canex a first refusal on further financing for a period of one year.

On June 1, 1972, Afton signed a second agreement with Canex which provided for Canex to have full possession of Afton's property and to complete a feasibility study. Upon completion of the study, Canex may give notice to Afton of its intention to place the property into production. Under this second agreement, it would then receive a share bonus equal to 30% of the outstanding share capitalization of Afton after that issuance. Canex would be required to arrange financing on a project financing basis, and would not be required to provide or guarantee any such financing.

The second agreement has become a matter of contention. An action was brought to set aside the agreement and on August 23 at an Extraordinary General Meeting of Afton shareholders, a resolution was passed approving of these proceedings and disapproving of the agreement. On December 8, 1972, a judgment was handed down denying the motion to set aside this agreement. The company has been advised that an appeal is contemplated, and is also considering what other steps should be taken.

Work has resumed on the property, and shareholders will be kept informed as to progress.

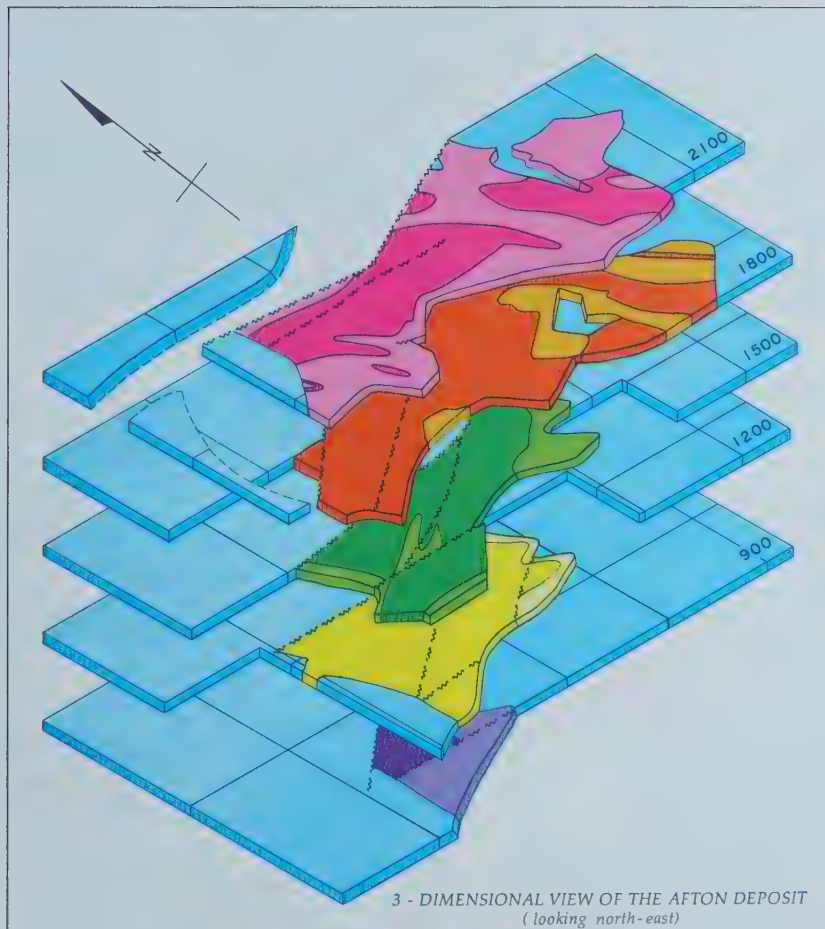
On behalf of the Board

Vancouver, B.C.
January 25, 1973.

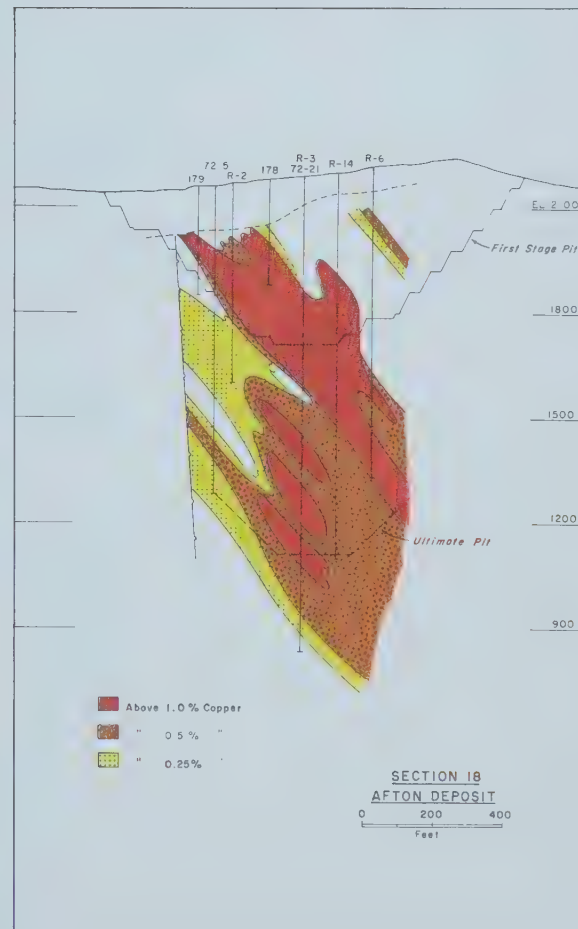

Managing Director



Discovery drill on Afton deposit – from a painting by Miss Betty Pare



This view shows five horizontal planes through the orebody spaced at intervals of three hundred feet. The dark coloured areas of each plane represent copper values of 0.5% Cu and higher. The light coloured areas show the lower grade ore



This view shows a section through the deposit looking east

Balance Sheet

(with comparative figures for 1971)

| ASSETS | | 1972 | 1971 |
|--|--|--------------------|------------------|
| Current assets | | | |
| Cash and short term deposits..... | | \$ 110,783 | \$ 88,352 |
| Land, at cost..... | | 250,000 | — |
| Mining claims, at cost represented by 697,500 shares issued for a consideration of \$41,500 and cash payments of \$49,800..... | | 91,300 | 91,300 |
| Deferred expenditures | | | |
| Exploration and development..... | | 535,306 | 67,230 |
| Administration | | 107,871 | 43,662 |
| Organization | | 1,394 | 1,394 |
| | | 644,571 | 112,286 |
| | | <u>\$1,096,654</u> | <u>\$291,938</u> |

AUDITORS' REPORT

To the Shareholders of Afton Mines Ltd. (N.P.L.)

We have examined the balance sheet of Afton Mines Ltd. (N.P.L.) as at June 30, 1972 and the statements of deferred expenditures and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, subject to the matters referred to in note 1, these financial statements present fairly the financial position of the company as at June 30, 1972 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Thorne Gunn & Co.
Chartered Accountants
Vancouver, B.C.
December 21, 1972

TD. (N.P.L.)
of British Columbia)

— June 30, 1972

ures at June 30, 1971)

LIABILITIES

| | <u>1972</u> | <u>1971</u> |
|---|----------------|--------------|
| Current liabilities | | |
| Accounts payable and accrued liabilities..... | \$ 86,227 | \$ 1,511 |
| Instalment due within one year on agreement to purchase land..... | <u>37,500</u> | <u>—</u> |
| | <u>123,727</u> | <u>1,511</u> |
| Agreement to purchase land, repayable \$37,500 annually without interest..... | 150,000 | — |
| Less amount included in current liabilities..... | <u>37,500</u> | <u>—</u> |
| | <u>112,500</u> | <u>—</u> |

SHAREHOLDERS' EQUITY

| | | |
|--|--------------------|------------------|
| Capital stock | | |
| Authorized | | |
| 5,000,000 shares of no par value | | |
| Issued | | |
| For cash — 1,926,520 shares (1971 — 1,226,520 shares) (note 2) | 818,927 | 248,927 |
| For mining claims — 697,500 shares | <u>41,500</u> | <u>41,500</u> |
| | <u>860,427</u> | <u>290,427</u> |
| | <u>\$1,096,654</u> | <u>\$291,938</u> |

Approved by the Board



Director



Director

Statement of Deferred Expenditures

YEAR ENDED JUNE 30, 1972 (with comparative figures for 1971)

| | Balance at beginning of year | Expenditures during year | Balance at end of year |
|---------------------------------------|------------------------------------|--------------------------------|------------------------------|
| Exploration and development | | | |
| Assaying..... | \$ 1,019 | \$ 33,296 | \$ 34,315 |
| Engineering..... | 2,104 | 41,787 | 43,891 |
| Drilling..... | 50,504 | 362,419 | 412,923 |
| Induced polarization | 6,344 | — | 6,344 |
| Licenses, assessments and sundry..... | 6,794 | 12,456 | 19,250 |
| Staking and surveying | 465 | 18,118 | 18,583 |
| | <u>67,230</u> | <u>468,076</u> | <u>535,306</u> |
| Administration | | | |
| Legal, accounting and audit | 14,260 | 40,890 | 55,150 |
| Office and management..... | 15,000 | 3,961 | 18,961 |
| Transfer agency fees | 2,810 | 3,994 | 6,804 |
| Rent and services | 9,854 | 1,185 | 11,039 |
| Other..... | 4,179 | 22,463 | 26,642 |
| | <u>46,103</u> | <u>72,493</u> | <u>118,596</u> |
| Less interest earned..... | <u>2,441</u> | <u>8,284</u> | <u>10,725</u> |
| | <u>43,662</u> | <u>64,209</u> | <u>107,871</u> |
| Organization | <u>1,394</u> | <u>—</u> | <u>1,394</u> |
| | <u>\$112,286</u> | <u>\$532,285</u> | <u>\$644,571</u> |

Statement of Source and Application of Funds

YEAR ENDED JUNE 30, 1972 (with comparative figures for 1971)

| | 1972 | 1971 |
|---|--------------------|-----------------|
| SOURCE OF FUNDS | | |
| Issue of shares | <u>\$570,000</u> | <u>\$90,000</u> |
| APPLICATION OF FUNDS | | |
| Exploration, development and administration expenditures..... | 532,285 | 18,590 |
| Purchase of land, \$250,000 less amounts not due within one year \$112,500..... | <u>137,500</u> | <u>—</u> |
| | <u>669,785</u> | <u>18,590</u> |
| INCREASE (DECREASE) IN WORKING CAPITAL..... | (99,785) | 71,410 |
| WORKING CAPITAL AT BEGINNING OF YEAR..... | <u>86,841</u> | <u>15,431</u> |
| WORKING CAPITAL (DEFICIENCY) AT END OF YEAR..... | <u>\$ (12,944)</u> | <u>\$86,841</u> |

Notes to Financial Statements
Year Ended June 30, 1972

1. Agreements with Canadian Exploration Limited ("Canex")

Under the terms of an agreement dated March 22, 1972 the company sold to Canex 100,000 treasury shares for a total cash consideration of \$350,000. Subject to certain conditions the agreement provided that, in consideration for advisory services in connection with the exploration and development programme on the company's property, Canex would be granted the right of first refusal to participate in future financing of the company.

By a further agreement dated May 30, 1972 Canex was granted exclusive possession, management and control of the property of the company and the right to proceed with exploration and development at its own expense with a view to placing the property in production. The agreement provides that on receipt of notice by the company of the intention of Canex to place the property in production the company will issue to Canex a number of shares equal to thirty per cent of the shares outstanding immediately following such issue.

On June 2, 1972 a shareholder commenced legal action on behalf of the company against the directors of the company at that time, seeking to set aside the May 30, 1972 agreement with Canex. On December 8, 1972 the action was dismissed but the time limit for an appeal has not yet expired. The financial statements at June 30, 1972 do not include provision for any legal costs that may ultimately be required to be borne by the company in connection with this litigation.

2. Capital Stock

During the year ended June 30, 1972 capital stock was increased as follows:

| | Number of shares | Value |
|---------------------------------------|------------------------|------------------|
| Issued for cash | | |
| At 30 cents per share | 200,000 | \$ 60,000 |
| At 35 cents per share | 200,000 | 70,000 |
| At 45 cents per share | 200,000 | 90,000 |
| At \$3.50 per share (see note 2)..... | 100,000 | 350,000 |
| | <u>700,000</u> | <u>\$570,000</u> |

3. Other Statutory Information

| | |
|---|---------|
| Number of directors | 5 |
| Aggregate remuneration of directors as directors..... | — |
| Number of officers..... | 4 |
| Aggregate remuneration of officers as officers | \$4,825 |
| Number of officers who are also directors..... | 3 |

Balance Sheet —

ASSETS

| | | |
|--|--------------|--------------------|
| Current assets | | |
| Cash..... | \$ | 14,155 |
| Accounts receivable..... | | <u>1,240</u> |
| | | 15,395 |
| Land, at cost..... | | <u>250,000</u> |
| Mining claims, at cost represented by 697,500 shares issued for a consideration of \$41,500 and cash payments of \$49,800..... | | <u>91,300</u> |
| Deferred expenditures | | |
| Exploration and development..... | \$588,507 | |
| Administration | 141,144 | |
| Organization | <u>1,394</u> | <u>731,045</u> |
| | | <u>\$1,087,740</u> |

AUDITORS' REPORT

To the Shareholders of Afton Mines Ltd. (N.P.L.)

We have examined the balance sheet of Afton Mines Ltd. (N.P.L.) as at September 30, 1972 and the statements of deferred expenditures and source and application of funds for the three months then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, subject to the matters referred to in note 1, these financial statements present fairly the financial position of the company as at September 30, 1972 and the results of its operations and the source and application of its funds for the three months then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Thorne Gunn & Co.
Vancouver, B.C. Chartered Accountants
December 21, 1972

D. (N.P.L.)
of British Columbia)

September 30, 1972


LIABILITIES

| | | |
|---|---------------|----------------|
| Current liabilities | | |
| Bank loan | \$ | 50,000 |
| Accounts payable and accrued liabilities..... | | 27,313 |
| Instalment due within one year on agreement to purchase land..... | | <u>37,500</u> |
| | | <u>114,813</u> |
| Agreement to purchase land, repayable \$37,500 annually without interest..... | \$150,000 | |
| Less amount included in current liabilities..... | <u>37,500</u> | <u>112,500</u> |

SHAREHOLDERS' EQUITY

| | |
|--|--------------------|
| Capital stock | |
| Authorized | |
| 5,000,000 Shares of no par value | |
| Issued | |
| For cash — 1,926,520 shares | 818,927 |
| For mining claims — 697,500 shares | <u>41,500</u> |
| Approved by the Board | <u>860,427</u> |
| | <u>\$1,087,740</u> |


Director


Director

Statement of Deferred Expenditures

THREE MONTHS ENDED SEPTEMBER 30, 1972

| | Balance at beginning of period | Expenditures during period | Balance at end of period |
|--------------------------------------|--------------------------------------|----------------------------------|--------------------------------|
| Exploration and development | | | |
| Assaying..... | \$ 34,315 | \$ 5,084 | \$ 39,399 |
| Engineering..... | 43,891 | 16,190 | 60,081 |
| Drilling..... | 412,923 | 23,713 | 436,636 |
| Induced polarization | 6,344 | — | 6,344 |
| Licenses, assessments and sundy..... | 19,250 | 4,729 | 23,979 |
| Staking and surveying | 18,583 | 3,485 | 22,068 |
| | <u>535,306</u> | <u>53,201</u> | <u>588,507</u> |
| Administration | | | |
| Legal, accounting and audit | 55,150 | 19,147 | 74,297 |
| Office and management..... | 30,000 | 10,496 | 40,496 |
| Transfer agency fees | 6,804 | 1,548 | 8,352 |
| Other..... | 26,642 | 2,887 | 29,529 |
| | <u>118,596</u> | <u>34,078</u> | <u>152,674</u> |
| Less interest earned..... | <u>10,725</u> | <u>805</u> | <u>11,530</u> |
| | <u>107,871</u> | <u>33,273</u> | <u>141,144</u> |
| Organization | <u>1,394</u> | <u>—</u> | <u>1,394</u> |
| | <u>\$644,571</u> | <u>\$ 86,474</u> | <u>\$731,045</u> |

Statement of Source and Application of Funds

THREE MONTHS ENDED SEPTEMBER 30, 1972

| | |
|---|-----------------|
| SOURCE OF FUNDS | — |
| APPLICATION OF FUNDS | |
| Exploration, development and administration expenditures..... | <u>\$86,474</u> |
| DECREASE IN WORKING CAPITAL..... | 86,474 |
| WORKING CAPITAL DEFICIENCY AT BEGINNING OF PERIOD..... | <u>12,944</u> |
| WORKING CAPITAL DEFICIENCY AT END OF PERIOD..... | <u>\$99,418</u> |

Notes to Financial Statements
Three Months Ended September 30, 1972

1. Agreements with Canadian Exploration Limited ("Canex")

Under the terms of an agreement dated March 22, 1972 the company sold to Canex 100,000 treasury shares for a total cash consideration of \$350,000. Subject to certain conditions the agreement provided that, in consideration for advisory services in connection with the exploration and development programme on the company's property, Canex would be granted the right of first refusal to participate in future financing of the company.

By a further agreement dated May 30, 1972 Canex was granted exclusive possession, management and control of the property of the company and the right to proceed with exploration and development at its own expense with a view to placing the property in production. The agreement provides that on receipt of notice by the company of the intention of Canex to place the property in production the company will issue to Canex a number of shares equal to thirty per cent of the shares outstanding immediately following such issue.

On June 2, 1972 a shareholder commenced legal action on behalf of the company against the directors of the company at that time, seeking to set aside the May 30, 1972 agreement with Canex. On December 8, 1972 the action was dismissed but the time limit for an appeal has not yet expired. The financial statements at September 30, 1972 do not include provision for any legal costs that may ultimately be required to be borne by the company in connection with this litigation.

2. Other Statutory Information

| | |
|---|---------|
| Number of directors | 11 |
| Aggregate remuneration of directors as directors..... | — |
| Number of officers..... | 5 |
| Aggregate remuneration of officers as officers | \$7,200 |
| Number of officers who are also directors | 4 |

OFFICERS

N. B. Keevil, Chairman of the Board
R. E. Hallbauer, Managing Director
N. B. Keevil, Jr. President
D. L. Price, Vice-President
F. W. Maycock, Secretary

DIRECTORS

R. M. Butler
R. Drozd
R. W. Falkins
R. E. Hallbauer
J. Haramboure
N. B. Keevil
N. B. Keevil, Jr.
J. D. Leishman
J. D. Little
C. F. Millar
D. L. Price

Head Office

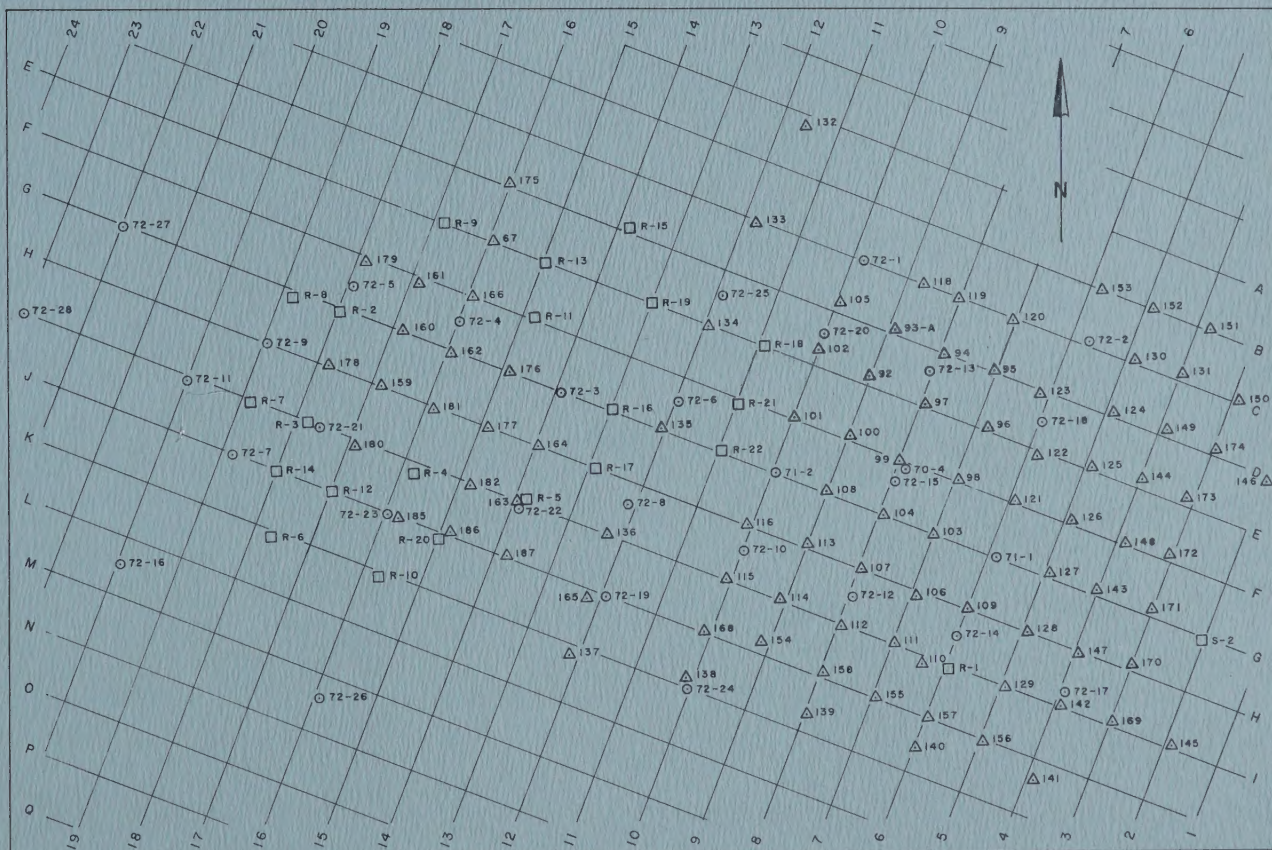
700 - 1177 West Hastings Street, Vancouver, B.C.

Registrar and Transfer Agent

The Canada Trust Company, Vancouver, B.C.

Auditors

Thorne Gunn & Co.



LEGEND

- ROTARY DRILL HOLE
- △ PERCUSSION DRILL HOLE
- DIAMOND DRILL HOLES

PLAN OF DRILL HOLES

AFTON DEPOSIT



